




## COUNCILMEMBER CARL DEMaIO

FIFTH DISTRICT  
CITY OF SAN DIEGO

### MEMORANDUM

DATE: May 11, 2010

TO: Honorable Mayor and Councilmembers  
Jan Goldsmith, City Attorney

FROM: Councilmember Carl DeMaio 

RE: Follow-Up to Reforming the Public Utilities "Bid to Goal" Program

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In February, I issued a memorandum recommending that the Water and Sewer "Bid to Goal" program utilize actual competitive bids in accordance with the will voters expressed in 2006 as opposed to the simulated bids the program currently relies on.

At its May 10, 2010 meeting, the Audit Committee was informed that a commitment to pursue Managed Competition in lieu of the mock bids associated with the Bid-to-Goal program could not be made, at least currently.

As I made clear at the same meeting, I cannot support continuing the Bid-to-Goal program without this commitment. While I am hopeful that the flaws in the program identified by the City Auditor in February will be improved upon by implementation of the Auditor's recommendations, I remain unconvinced that reform efforts not including actual competitive bidding can provide ratepayers with sufficient assurances of cost efficiency.

As a result, I fully support ending the Bid-to-Goal program as soon as possible.

#### **Requested Action (City Attorney):**

I respectfully request that the City Attorney inform my office of the City's ability to eliminate the program, taking its current and forthcoming labor contracts into account.

#### **Requested Action (Mayor and City Attorney)**

I respectfully request that the City begin the "Meet and Confer" process with the impacted bargaining units regarding the elimination of the Bid-to-Goal program.

cc: Independent Budget Analyst